

Department of Social and Health Services

**DP Code/Title: M2-9S Equipment Replacement Costs**

**Program Level - 110 Admin & Supporting Svcs**

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Budget Period: 2003-05    Version: 11    2003-05 Agency Request Budget

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**Recommendation Summary Text:**

This proposal is to fund the replacement of essential equipment that is nearing the end of its useful life or is obsolete. Requested equipment items are critical to ensure the health, safety, and security of clients, and staff productivity.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 110</b>			
001-1 General Fund - Basic Account-State	403,000	403,000	806,000
001-2 General Fund - Basic Account-Federal	21,000	21,000	42,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	40,000	40,000	80,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	112,000	112,000	224,000
<b>Total Cost</b>	<b>576,000</b>	<b>576,000</b>	<b>1,152,000</b>

**Staffing**

**Package Description:**

This proposal is to fund the replacement of necessary equipment that is nearing the end of its useful life or is obsolete. Requested equipment items are critical to ensure the health, safety, and security of clients, and staff productivity.

The DSHS Mailroom Insert Section is currently operating with three pieces of inserting equipment that are nearing the end of their expected life cycle. These machines mechanically assemble and meter nearly two million critical out-going mail pieces monthly. Aging equipment is significantly increasing the risk of failing to meet critical ACES and SSPS mailing deadlines. Over the past year, there has been a marked increase in the number of equipment breakdowns. A breakdown occurring at a critical time in the month, such as ACES monthly issuance or advance notice deadline, could result in important documents not being mailed on time.

The risk is particularly exacerbated by the implementation of ACES letters enhancement in November 2001, which increased the number of letter pages mailed monthly from approximately 1,000,000 in October 2001 to 1,600,000 in March 2002. Letters weighing over two ounces are stopping the equipment an average of 1,000 times each regular mailing day, and 1,500 to 2,500 times on high volume days, such as the eligibility review and monthly deadline runs. In addition, the increase in the number of pages per mailing bundle is taxing folding components of equipment already worn with years of heavy use. The implementation of state payment of Supplemental Security Payment (SSP) in September of 2002 will add to mailing volumes. The risk of a major breakdown of equipment is increasing each month.

The Administrative Services Division (ASD) has determined that the best strategy is to acquire new inserting equipment.

Total acquisition cost (includes three inserter machines and associated software): \$2,550,880

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This budget request facilitates the division's goal of optimizing services within resources and is intended to improve accountability and public stewardship.

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***Performance Measure Detail***

**Program: 110**

**Goal: 08K   Continue to creatively improve business processes**

**Incremental Changes**

**FY 1**

**FY 2**

No measures submitted for package

***Reason for change:***

Equipment requested will replace obsolete and worn equipment that is often not repairable. Funding this proposal ensures the long-term health, safety, and security of clients as well as the increased productivity of staff.

***Impact on clients and services:***

Reliable and up-to-date equipment is critical in maintaining staff efficiency and meeting anticipated budget challenges in the ensuing biennium.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

Administrative staff needs the tools to help them maintain current and anticipated workloads in an environment where health, safety, and security needs are met. Working with obsolete or worn equipment is not a cost effective means to distribute services to the diverse clientele within the agencies.

***Budget impacts in future biennia:***

This funding would carry forward into the 2005-07 Biennium at the second year level (Fiscal Year 2005).

***Distinction between one-time and ongoing costs:***

Purchases are one-time expenses for replacement of obsolete/worn-out equipment used to carry out routine and required duties.

***Effects of non-funding:***

Non-funding of this proposal may negatively impact the health, safety, and security of clients as well as the productivity of staff.

***Expenditure Calculations and Assumptions:***

Fiscal Year 2004

General Fund State:        \$403,000

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Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

General Fund Federal: \$173,000  
Total: \$576,000

Fiscal Year 2005

General Fund State: \$403,000  
General Fund Federal: \$173,000  
Total: \$576,000

Biennial Total: \$1,152,000

**Object Detail**

**Program 110 Objects**  
P Debt Service

<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
576,000	576,000	1,152,000

**DSHS Source Code Detail**

**Program 110**

**Fund 001-1, General Fund - Basic Account-State**

Sources Title

0011 General Fund State

<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
403,000	403,000	806,000
<b>403,000</b>	<b>403,000</b>	<b>806,000</b>

*Total for Fund 001-1*

**Fund 001-2, General Fund - Basic Account-Federal**

Sources Title

001B Social Security Disability Ins (100%)  
E61L Food Stamp Program (50%)

9,000	9,000	18,000
12,000	12,000	24,000
<b>21,000</b>	<b>21,000</b>	<b>42,000</b>

*Total for Fund 001-2*

**Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi**

Sources Title

563I Title IV-D Child Support Enforcement (A) (66%)  
658L Title IV-E-Foster Care (50%)  
659L Title IV-E Adoption Assistance (50%)

29,000	29,000	58,000
10,000	10,000	20,000
1,000	1,000	2,000
<b>40,000</b>	<b>40,000</b>	<b>80,000</b>

*Total for Fund 001-A*

**Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa**

Sources Title

19UL Title XIX Admin (50%)

112,000	112,000	224,000
<b>112,000</b>	<b>112,000</b>	<b>224,000</b>

*Total for Fund 001-C*

**Total Program 110**

<b>576,000</b>	<b>576,000</b>	<b>1,152,000</b>
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